

# Homestead Income Tax Credit Changes

Taxpayers 65 Years of Age or Older (Column 1)	Taxpayers Under 65 Years of Age (Column 2)
<ol style="list-style-type: none"> <li>If total household resources are \$41,001 or higher, use column 2.</li> <li>If household resources are \$41,000 or below, multiply total household resources by .035 (3.5%). <i>Example: \$25,000 x .035 (3.5%) = \$875</i></li> <li>Subtract the product in step 2 from the property taxes paid*. <i>Example: \$2,000 (property taxes) - \$875 = \$1,125</i></li> <li>Multiply the difference in step 2 by the percentages below:  100% for household resources of \$21,000 or less  96% for household resources from \$21,001-\$22,000  92% for household resources from \$22,001-\$23,000  88% for household resources from \$23,001-\$24,000  84% for household resources from \$24,001-\$25,000  80% for household resources from \$25,001-\$26,000  76% for household resources from \$26,001-\$27,000  72% for household resources from \$27,001-\$28,000  68% for household resources from \$28,001-\$29,000  64% for household resources from \$29,001-\$30,000  60% for household resources of \$30,001 or higher   <i>Example: \$1,125 x .84 (84%) = \$945</i> </li> <li>The product of step 4 is the total homestead credit due.</li> </ol>	<ol style="list-style-type: none"> <li>Multiply total household resources by .035 (3.5%). <i>Example: \$45,000 x .035 (3.5%) = \$1,575</i></li> <li>Subtract the product in step 1 from the property taxes paid*. <i>Example: \$2,000 (property taxes) - \$1,575 = \$425</i></li> <li>Multiply the difference in step 2 by .6 (60%). <i>Example: \$425 x .6 (60%) = \$255</i></li> <li>Reduce the product of step 3 by 10% for each \$1,000 over \$41,000 in household resources:  No reduction for \$41,000 or less  Reduce by 10% for \$41,001-\$42,000  Reduce by 20% for \$42,001-\$43,000  Reduce by 30% for \$43,001-\$44,000  Reduce by 40% for \$44,001-\$45,000  Reduce by 50% for \$45,001-\$46,000  Reduce by 60% for \$46,001-\$47,000  Reduce by 70% for \$47,001-\$48,000  Reduce by 80% for \$48,001-\$49,000  Reduce by 90% for \$49,001-\$50,000  Reduce by 100% for \$50,001 or higher   <i>Example: \$255 less 40% (\$102) = \$153</i> </li> <li>The product of step 4 is the total homestead credit due.</li> </ol>
<p>*if the product of step 1 is greater than the amount of property tax paid, you are not eligible for the homestead credit.</p> <p>No homestead credit may be claimed for homesteads exceeding \$135,000 in taxable value.</p>	<p>*if the product of step 1 is greater than the amount of property tax paid, you are not eligible for the homestead credit.</p> <p>No homestead credit may be claimed for homesteads exceeding \$135,000 in taxable value.</p>

“Total household resources” means all income received by all persons of a household in a tax year... plus any net business loss after netting all business income and loss, plus any net rental or royalty loss, plus any deduction from federal adjusted gross income for a carryback or carryforward of a net operating loss as defined in section 172(b)(2) of the internal revenue code.